

San Antonio Industrial Asking Rents Increase 13% Year-Over-Year

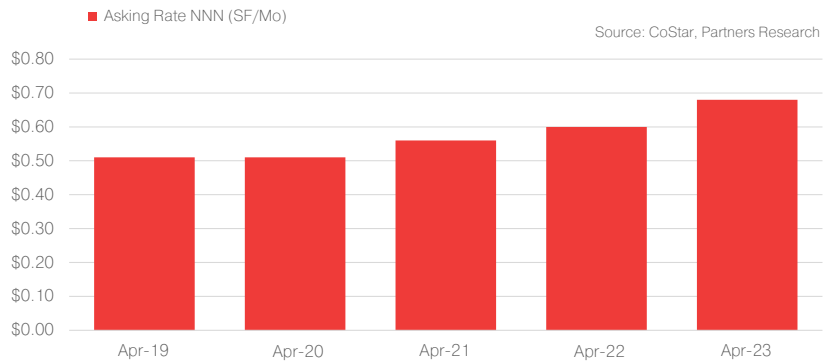
San Antonio Industrial

The overall vacancy rate in the San Antonio industrial market as of April 2023 is 5.6%, up 150 basis points from 4.1%, year-over-year.

The San Antonio industrial market recorded 2.2 million sq. ft. of leasing activity, comprised of new leases and renewals. Net absorption—move-ins minus move-outs—is at 982,162 sq. ft., down 51% year-over-year from a more abundant 2 million-sq.-ft.-start in 2022. The average monthly rental rate has kept up with inflation, with a 13% increase from last year, currently standing at \$0.68 per sq. ft. Relatively, The CPI climbed by 4.9% for the 12 months ended in April, according to the Bureau of Labor Statistics, this was the smallest

12-month increase since April 2021. This trend could potentially alleviate some of the pressures on San Antonio's industrial market in the future.

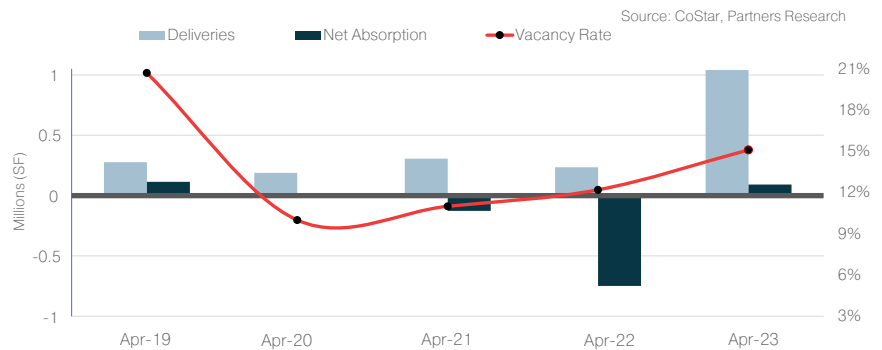
Annual Rent Growth | San Antonio Industrial



San Antonio Office

Four months into 2023, overall vacancy was at 15.1%, marking a 300-basis point increase from 12.1% in April 2022. Despite this, the San Antonio office market recorded 1.1 million sq. ft. in leasing activity, up 25% from this time last year. Net absorption experienced a 112% increase year-over-year from -748,984 sq. ft. to 91,215 sq. ft. Office construction is at 1.1 million sq. ft., decreasing 28% from 1.5 million sq. ft. the prior year. Meanwhile, deliveries totaled 1 million sq. ft., —the highest recorded since April 2007—significantly up from 234,489 sq. ft. last year. Fasken Development's North Rim Corporate Campus, a two-building site spanning 717,000 sq. ft., is a significant contributor to April's deliveries. The North Rim Corporate Campus is located on 16 acres along the North IH-10 corridor.

Supply & Demand | San Antonio Office



San Antonio Retail

As of April 2023, overall vacancy in the Houston Retail Market tightened to 3.9%—a decline of 40 basis points from the previous year's 4.3%. Retail leasing activity tallied 748,770 sq. ft., down 36% from 1.1 million sq. ft. this time last year. Net absorption is at 221,928 sq. ft., down 66% from 666,000 sq. ft. year-over-year. Although still strong, the retail construction pipeline decreased 38% from 1.7 million sq. ft. in April 2022 to 1 million sq. ft. in April 2023. Deliveries also decreased (66%) year-over-year from 619,765 sq. ft. to 211,807 sq. ft. In recent news, the U.S. Bankruptcy Court for the North District of Texas approved the sale of Tuesday Morning—a well-known household merchandise company—to a liquidation company, closing 6 stores in San Antonio (24 stores in Texas). This follows the news that 52 Bed Bath & Beyond stores in Texas will close, creating a Texas-sized hole in the retail industry.

Vacancy | San Antonio Retail

